



# STATUS OF THE GENERAL FUND

Presented to the

## GOVERNMENT FINANCE COMMITTEE

TUESDAY, SEPTEMBER 21, 2021

JOE MORRISSETTE, OFFICE OF MANAGEMENT AND BUDGET DIRECTOR

**GENERAL FUND STATUS STATEMENT**  
**2019-21 BIENNIUM**  
**JUNE 30, 2021 (FINAL)**

Beginning balance:

Beginning unobligated balance - July 1, 2019	\$65,000,000	
Balance obligated for authorized carryover of appropriations	<u>128,664,231</u>	
Total beginning balance		\$193,664,231

Revenues:

<u>5,751,904,322</u>	
	\$5,945,568,553

Total available

Expenditures:

Spending authority

Legislative Appropriations - One-Time	(\$48,639,068.00)	
Legislative Appropriations - Ongoing	(4,794,924,098)	
2021-23 Authority used in 2019-21 Pursuant to Emergency Clause	(100,000)	
17-19 Emergency Clause Carried Over to 2019-21	106,000	
Appropriation adjustments, Cancellations	(3,909)	
Authorized Carryover from Previous Biennium	(128,664,231)	
Supplemental Appropriations	<u>(123,140,000)</u>	
Total spending authority		(\$5,095,365,306)

Unspent authority returned to general fund	337,679,612
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Total amount spent or carried over to 2021-23	<u>(4,757,685,694)</u>
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Estimated ending balance before transfers and adjustments	\$1,187,882,859
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Transfers and adjustments

Transfer to budget stabilization fund	0 \1
Net effect of other transfers, adjustments, and cash certifications	<u>(65,529,514)</u>

Total transfers and adjustments	<u>(65,529,514)</u>
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Ending unobligated balance - June 30, 2021	<u><u>\$1,122,353,345</u></u>
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\1 NDCC Section 54-27.2-02 provides that any end of biennium balance in excess of \$65.0 million must be transferred to the budget stabilization fund, up to a cap of 15.0 percent of general fund appropriations.

## 2019-2021 General Fund Turnback

Agency	Total Unexpended	% Returned	Notes
10100 Governor's Office	155,509.00	3.45%	
10800 Secretary of State	181,656.00	2.64%	
11000 Office of Management & Budget	721,119.00	0.53%	
11200 Information Technology Dept	97,891.00	0.34%	
11700 State Auditor's Office	1,211,787.00	11.98%	
12000 State Treasurer	102,251.00	5.79%	
12500 Attorney General	380,617.00	0.83%	
12700 State Tax Commissioner	3,844,774.00	6.62%	
15000 Legislative Assembly	282,269.00	1.70%	
16000 Legislative Council	1,924,854.00	11.36%	
18000 Courts	2,465,415.00	2.29%	
18800 Counsel for Indigents	844,101.00	4.59%	
19500 Ethics Commission	85,020.00	16.44%	
20100 Public Instruction	61,220,585.00	3.55%	Average daily membership was less than expected during the biennium.
22600 Department of Trust Lands	3,743.00	100.01%	
22900 Williston State College	1,010.00	0.01%	
23800 College of Science	28,606.00	0.08%	
25000 State Library	458,094.00	7.92%	
25300 School for the Blind	53,477.00	1.13%	
27000 Career & Technical Education	925,017.00	2.31%	
30100 Health Department	2,051,955.00	5.64%	
30300 Environmental Quality	617,240.00	4.95%	
31300 ND Veterans' Home	556.00	0.01%	
31600 Indian Affairs Commission	113,671.00	10.35%	
32100 Veterans Affairs	118,348.00	8.07%	
32500 Human Services	179,231,080.00	12.16%	\$146.7 Enhanced FMAP; \$26.5 reduced utilization in foster care and subsidized adoption; \$5.9M HSC, NDSH and LSTC and DHS reduced expenses.
36000 Protection and Advocacy	9,231.00	0.28%	
38000 Job Service	13,057.00	3.03%	
40500 Industrial Commission	3,066,899.00	11.17%	
40600 Labor Commissioner	382,735.00	15.98%	
40800 Public Service Commission	530,182.00	7.90%	
50400 Highway Patrol	21,206,832.00	47.88%	Savings due to CRF replacing general fund expenditures, higher vacancies and lower motorpool rate.
53000 Dept. of Corrections & Rehab.	46,833,202.00	20.19%	Savings due to CRF replacing general fund expenditures.
54000 Adjutant General	2,543,764.00	1.10%	
60100 Department of Commerce	5,451,404.00	19.06%	Salary and operating costs from vacant positions, Unexpended grants: BVLOS, Early Childhood Education, Nonresident Nurse Employment Recruitment.
60200 Department of Agriculture	244,594.00	0.34%	
66500 ND State Fair Association	271,417.00	7.20%	
70900 Council on the Arts	20.00	0.00%	
75000 Parks & Recreation	5,630.00	0.35%	
<b>Total</b>	<b>337,679,612.00</b>	<b>6.63%</b>	

**GENERAL FUND STATUS STATEMENT**  
**2021-23 BIENNIUM**  
**AS OF AUGUST 31, 2021**

Beginning balance:		
Beginning unobligated balance - July 1, 2021	\$1,122,353,345	
Balance obligated for authorized carryover of appropriations	<u>72,429,176</u>	
Total beginning balance		\$1,194,782,521
Revenues:		
Revenues collected to date	\$573,158,942	
Remaining forecasted revenues	<u>3,811,589,107</u>	
Total revenues		<u>4,384,748,049</u>
Total available		\$5,579,530,570
Expenditures:		
Legislative appropriations - One time	(\$114,923,493)	
Legislative appropriations - Ongoing	(4,878,033,837)	
2021-23 authority used in 2019-21	100,000	
Authorized carryover from previous biennium	<u>(72,429,176)</u>	
Total authorized expenditures		<u>(5,065,286,506)</u>
Estimated ending balance - June 30, 2021		<u><u>\$514,244,064</u></u> \1
\1 NDCC Section 54-27.2-02 provides that any end of biennium balance in excess of \$65.0 million must be transferred to the budget stabilization fund, up to a cap of 15.0 percent of general fund appropriations.		

**SELECTED SPECIAL FUNDS**  
**AUGUST 31, 2021 FUND BALANCES**

<b>Fund</b>	<b>Balance</b>
Budget Stabilization Fund (July 31 RIO balance)	\$749,849,349
Legacy Fund (July 31 RIO balance plus August oil tax allocation)	\$8,327,131,780
Foundation Aid Stabilization Fund	\$389,261,318
Tax Relief Fund	\$188,399,245
5/31/21 Strategic Investment and Improvement Fund (\$254,942,788 committed)	\$822,318,763

**OIL UPDATE**  
**AUGUST 31, 2021 (Based on June 30, 2021 Production)**

	<b>Forecast</b>	<b>Actual to Date</b>
Average Price:	\$50.00	\$65.47
Average Production:	1,100,000	1,133,498
Oil Revenue	\$160,050,000	\$198,225,875

# STATEMENT OF GENERAL FUND REVENUES AND FORECASTS

## Compared to the Legislative Forecast

2021-23 Biennium

August 2021

Revenues and Transfers	Fiscal Month				Biennium To Date			
	Original 2021 Leg. Forecast	Actual	Variance	Percent	Original 2021 Leg. Forecast	Actual	Variance	Percent
Sales Tax	70,940,434	86,769,883	15,829,449	22.3%	159,574,818	175,442,194	15,867,376	9.9%
Motor Vehicle Excise Tax	11,806,347	12,918,359	1,112,012	9.4%	23,090,883	25,362,546	2,271,663	9.8%
Individual Income Tax	13,841,097	42,396,862	28,555,765	206.3%	71,543,901	77,056,121	5,512,220	7.7%
Corporate Income Tax	277,599	242,575	(35,024)	-12.6%	886,545	13,339,617	12,453,072	1404.7%
Insurance Premium Tax	2,220,836	149,223	(2,071,613)	-93.3%	2,220,836	159,389	(2,061,447)	-92.8%
Oil & Gas Production Tax	37,645,081	37,645,081	-	0.0%	37,645,081	37,645,081	-	0.0%
Oil Extraction Tax	22,064,160	22,064,160	-	0.0%	22,064,160	22,064,160	-	0.0%
Gaming Tax	-	18,522	18,522	100.0%	-	36,221	36,221	100.0%
Lottery	-	-	-	0.0%	-	-	-	0.0%
Cigarette & Tobacco Tax	2,143,862	2,152,412	8,550	0.4%	4,230,998	4,465,021	234,023	5.5%
Wholesale Liquor Tax	721,080	804,668	83,588	11.6%	1,575,278	1,831,862	256,584	16.3%
Mineral Leasing Fees	1,031,513	2,676,139	1,644,626	159.4%	2,869,119	5,364,808	2,495,689	87.0%
Departmental Collections	1,308,670	1,122,112	(186,558)	-14.3%	2,715,488	1,859,558	(855,930)	-31.5%
Interest Income	754,658	396,823	(357,835)	-47.4%	1,041,563	490,092	(551,471)	-52.9%
State Mill & Elevator - Transfer	-	-	-	0.0%	-	-	-	0.0%
Bank of North Dakota - Transfer	-	-	-	0.0%	-	-	-	0.0%
SIIF - Transfer	-	-	-	0.0%	205,000,000	205,000,000	-	0.0%
Gas Tax Administration	-	-	-	0.0%	234,218	234,218	-	0.0%
Miscellaneous	-	2,808,054	2,808,054	100.0%	-	2,808,054	2,808,054	100.0%
<b>Total Revenues and Transfers</b>	<b>164,755,337</b>	<b>212,164,873</b>	<b>47,409,536</b>	<b>28.8%</b>	<b>534,692,888</b>	<b>573,158,942</b>	<b>38,466,054</b>	<b>7.2%</b>





NORTH  
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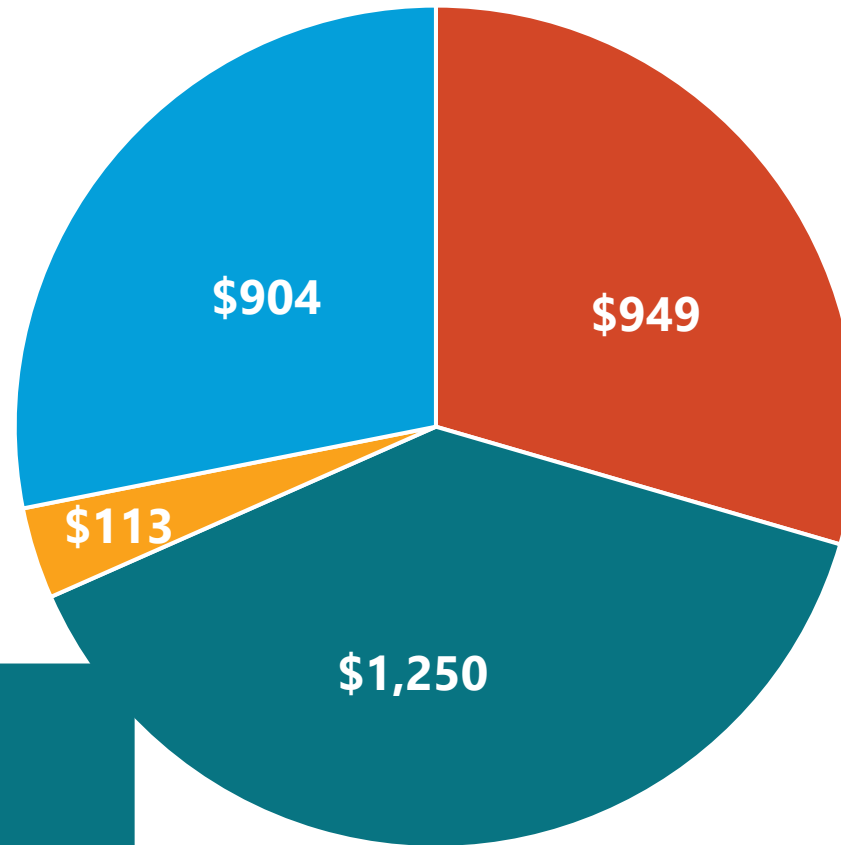
**ARPA**  
THE AMERICAN  
RESCUE PLAN ACT

Government Finance Committee  
September 21, 2021



# ARPA FUNDING FOR ND

**\$3.2 Billion**



- Program Grants
- State and Local Fiscal Relief Fund
- Capital Projects Fund
- Economic Impact Payments to Individuals

State - \$1.008 B  
Counties - \$148 M  
Metro cities - \$41.3 M  
Non-entitlement cities - \$53.2 M

*In Millions*

# ARPA - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

## Guidelines and Application

- Guidelines and application process covers both state and local funds that flow through the state.
- Application Date – May 21

### ▪ State Amount

- \$1,007,502,515 received on May 28, 2021
- Entire allocation received in one payment
- On deposit with BND

### ▪ Non-Entitlement City Amount

- \$26,587,487.50 received on June 7, 2021 (half of local government allocation of \$53,174,975)
- \$23,266,760 distributed by September 24, 2021
- Balance to be received in 2022
- HB1395 appropriation of \$50,160,000



# CORONAVIRUS CAPITAL PROJECTS FUND APPROPRIATIONS

Agency	Project	Amount
OMB	Cooperstown Medical Center	\$ 500,000
Judicial Branch	IT equipment	157,600
DPI	Minot children's science center grant	5,900,000
UND	Airport apron project	5,000,000
DSU	Pulver Hall	4,000,000
CTE	Career center initiative	70,000,000
Highway Patrol	LETA remodel	3,000,000
Historical Society	Historic site repairs	4,200,000
Parks and Recreation	Deferred maintenance projects and IPG loan	11,716,400
Dept. of Agriculture	Intermodal facility grant	2,000,000
<b>Total</b>		<b>\$106,474,000</b>

# CORONAVIRUS CAPITAL PROJECT FUND

- 2021-23 appropriation = \$106,474,000
- Preliminary estimate of ND funding = \$112,473,563
- Current estimate of ND funding = \$113,276,228
- 2021 legislative requirement: Moneys cannot be spent until determined to be in compliance with federal guidelines
- Guidance released September 20, 2021

# APPLICATION PROCESS

- Not a competitive grant, but states must submit an application and a Grant Plan
- Capital Projects Fund Portal will be launched by Treasury
- State must submit a grant application by December 27, 2021
- Grant Plan must be submitted within 365 days of launch of Capital Projects Fund Portal
- Funds released after approval of state Grant Plan



# ALLOWABLE USES – GENERAL GUIDANCE

- Investment in high-quality broadband infrastructure and other connectivity infrastructure, devices, and equipment
- Other capital projects that meet ALL of the following criteria:
  - “directly enable work, education, and health monitoring”;
  - address a critical need that resulted from, or was made apparent by, the COVID-19 public health emergency; and
  - address a critical need of the community to be served by the project.

# ALLOWABLE USES – TREASURY EXPECTATION

- **Many states will use funding for broadband infrastructure projects**
- **Reasons:**
  - COVID-19 highlighted need for access to high-quality internet to enable work, education, and health monitoring
  - Communities that lack affordable access are at a disadvantage
  - Investing in communities with these inequities will improve digital equity and opportunity

# ALLOWABLE USES – SUBRECIPIENTS

- A state may award funds to subrecipients, including:
  - Other levels of government
  - Non-profits
  - Private entities



# PRESUMPTIVELY ELIGIBLE PROJECTS



Broadband Infrastructure



Digital Connectivity Technology Projects

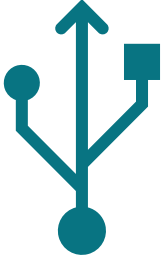


Multi-Purpose Community Facility Projects



# BROADBAND INFRASTRUCTURE

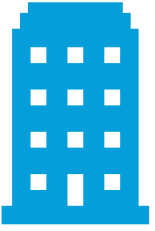
- Must meet or exceed download and upload speeds of 100 Mbps
- Should prioritize fiber-optic infrastructure
- Should address affordability as a barrier to full use of the internet
- Must explain why communities to be served have a critical need related to access, affordability, reliability, and/or consistency



## DIGITAL CONNECTIVITY TECHNOLOGY PROJECTS

- Purchase and/or installation of devices and equipment to facilitate broadband internet access
- Permitted devices and equipment include laptops, tablets, and desktop PCs for distribution to the public through a short or long-term loan program
- Ownership of the equipment must be maintained by the recipient or subrecipient
- Permitted equipment includes equipment installed as part of public Wi-Fi infrastructure





## MULTI-PURPOSE COMMUNITY FACILITY PROJECTS

- Projects to construct or improve buildings designed to “jointly and directly enable work, education, and health monitoring”
- Projects to construct or improve “full-service community schools” that provide comprehensive academic programs, health monitoring, and workforce training or career counseling
- Projects to construct or improve libraries that provide public access to the internet
- Projects to construct or improve community health centers that provide a broad range of services in addition to health monitoring

# ALLOWABLE USES – CASE-BY-CASE REVIEW



Investment in capital assets designed to directly enable work, education, and health monitoring



Project designed to address a critical need that results from COVID-19

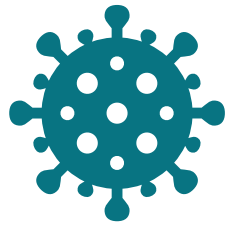


Project designed to address a critical need in the community to be served



## DIRECTLY ENABLE WORK, EDUCATION, AND HEALTH MONITORING

- Can include buildings, towers, digital devices and equipment, fiber-optic lines, and broadband networks
- ***A project is NOT considered to directly enable work simply because individuals are employed at the location of the completed project***



## PROJECT DESIGNED TO ADDRESS A CRITICAL NEED THAT RESULTS FROM COVID-19

- Must address impediments to community members' ability to directly engage in work, education, and health monitoring
- Recipients must identify one or more impediments and how they would be remediated by the project
- A project that enables remote access to services meets this requirement



## PROJECT DESIGNED TO ADDRESS A CRITICAL NEED IN THE COMMUNITY TO BE SERVED

- A community with a critical need includes one that does not have access to the resources or services provided by the project because:
  - There is an absence of the resources or services
  - Access to the resources or services is unaffordable



# INELIGIBLE PROJECTS



General infrastructure projects (Highways, Bridges, Transit systems)



General construction and improvement of hospitals and schools

# REPORTING

- Recipients are required to submit:
  - **Quarterly** *Project and Expenditure Report* regarding projects, expenditures, subawards, and programmatic measures as determined by Treasury
  - **Annual** *Performance Report* to demonstrate the outcomes of the Capital Project grant programs

# TIMEFRAME

